



Proposed Captive's Name _____

SUBMISSION CHECKLIST

In Advance of the Application

- ☐ Have you contacted Donita Keper at (602) 364-2716 regarding the availability of the proposed captive's name ?
- ☐ Have you submitted to Maidene Scheiner, Captive Insurance Administrative Assistant, the original and 2 copies of the Articles of Incorporation showing at least 3 incorporators, one of whom must be an AZ resident? If they are acceptable, they will be stamped and returned to you for filing with the Arizona Corporation Commission (ACC). For ACC filing information, go to www.cc.state.az.us/corp/filings/forms.

Completing the Captive Insurance Co. Admission Application

Section A—General Information

- ☐ Have you indicated the net worth of the captive's parent(s) and included copies, as pertinent, of the parent's Annual Report, 10k or Personal Financial Statements certified and dated by a CPA?
- ☐ Have you marked the type of captive to be licensed (Pure, Association, Risk Retention, etc.)?
- ☐ If a Risk Retention Group, have you clearly explained why it is eligible within the limitations of the Liability Risk Retention Act, etc?
- ☐ If a Protected Cell, have you supplied a supplemental application for each cell?
- ☐ Is the address for the proposed captive within the state of Arizona?
- ☐ Are there at least 5 Directors for the proposed captive and is at least one of them an AZ resident?
- ☐ Have you included signed and notarized NAIC Biographical Affidavits for each of the Directors?
- ☐ Have you shown the names of all officers and included signed and notarized NAIC Biographical Affidavits for each?
- ☐ Have you indicated the proposed start-up date and fiscal year?

Section B—Organization Information

- ☐ Have you included CERTIFIED copies of the Bylaws, Articles of Incorporation and any other necessary organizational documents?
- ☐ Have you included a copy of the Arizona Corporation Commission's Disclosure Statement and a duplicate original of the Statutory Agent Appointment?
- ☐ Have you included an Affidavit of Publication indicating that the Articles of Incorporation were published at least 3 times in a newspaper having a general circulation in the AZ County of the corporation's place of business?
- ☐ Have you included the Capital Stock Register?
- ☐ Have you included copies of all Agreements (draft with clear indication of expected terms & conditions if executed copies cannot be obtained until after licensing) between the captive and

- ☐ The Captive Manager
- ☐ Reinsurers, if applicable
- ☐ Policy Issuing/Fronting Company, if applicable
- ☐ Claims Administrator
- ☐ Have you included a copy of the Minutes of all meetings of the Incorporators, Directors, Shareholders and Committees, inception to date?

Section C—Financial Information

- ☐ Have you indicated the amount of capital and surplus you propose for the formation of the captive?
- ☐ Is this amount reflected in either the Articles of Incorporation or Minutes?
- ☐ Are you aware that the Director may increase your proposed amount of surplus and capital if deemed insufficient?
- ☐ Have you provided either i) an irrevocable and unconditional Letter of Credit with an evergreen clause payable to the Arizona Director of Insurance; or, ii) a signed Bank Confirmation Form (Captive Form 106 edition 8/02) reflecting deposit of the necessary amount of cash?
- ☐ Are you aware that you may not reduce minimum capitalization & surplus amounts and you must pay operating expenses out of a separate Operating Account?
- ☐ Are all bank accounts with an AZ bank or, if not, is the Operating Account with an AZ bank?
- ☐ Have you provided an initial financial statement showing assets, liabilities, sources and type of financial support, signed under oath by the captive's president and secretary?

Section D—Supporting Information & Attachments

- ☐ Have you provided a business plan that clearly and concisely provides an overview of the captive, including its purpose, structure, ownership, financing, etc.? Do NOT rely on the attachments and exhibits to act as your vehicle to provide clarity to the Department's review and approval of the submission.
- ☐ If a Risk Retention Group, is it clear why the structure conforms to the Liability Risk Retention Act?
- ☐ Have you indicated by line of coverage whether you intend to write directly, cede or assume?
- ☐ Have you indicated the expected Gross Annual Premium by line of coverage?
- ☐ Have you indicated the expected Net Annual Premium by line of coverage?
- ☐ Have you provided the name(s) of the current carrier(s) for the relevant coverages and included a copy of the in-force Declaration Page(s) for both primary and excess/umbrella coverages?
- ☐ Have you provided hard copy Claims & Loss Exhibits from insurance carriers?
- ☐ Have you described all claims in excess of \$100,000 and what corrective action has been taken to avoid recurrence?
- ☐ Have you described the amount of proposed retained risk—per loss and annual aggregates?
- ☐ Have you provided three year financial projections (Pro Forma) showing expected and worst case scenarios?
- ☐ Have you provided the rates and pricing guidelines?
- ☐ Have you provided an Actuarial Feasibility Study?
 - ☐ Is it prepared on the actuary's letterhead?
 - ☐ Does it describe what was reviewed and how it comports with the Business Plan (risks, coverages, retentions, and whether business will be written directly or reinsured)?
 - ☐ Does it describe the methodology used including confidence levels, expected results, worst case scenario with premium and loss components?
 - ☐ Does it show conclusions on proper capitalization and pricing?

- ☐ Have you clearly explained any reinsurance programs and included Captive Form 104? Executed agreements are due to the Department as soon as possible after execution. Until then, a draft or a clear statement of expected terms, limits, reinsurer, etc. is required.
- ☐ Have you included the underwriting guidelines and procedures?
- ☐ Have you included material describing the Risk Management program and/or Safety/Quality Control Manual?
- ☐ Have you described the Investment Policy?
- ☐ Have you shown your plans for distribution of dividends or other funds not including ordinary operating expenses?
- ☐ Have you supplied copies of the proposed coverage forms?

Section E—Service Providers

- ☐ Have you completed all of Section E with the names and addresses of all Service Providers?
- ☐ Is the Captive Manager an AZ resident?
- ☐ Do the actuary, accountant and lawyer all have AZ locations?

Section F—Fees

- ☐ Have you completed the section and remitted all of the required fees?

Section G—Certification

- ☐ Has the application information been certified as correct by a Director of the proposed captive?
 - ☐ Has the signature been notarized?
- ☐ **Have you provided 4 copies of all material in 4 separate binders & placed all original documents together in one of those binders?**